

House, Home, and Community: Progress in Housing Canadians, 1945-1986

Edited by
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Chapter 19

Housing and Community Development Policies

by Jeffrey Patterson

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Housing and Community Development Policies

Jeffrey Patterson

COMMUNITY DEVELOPMENT is a process and an end state (Compton 1971). As a process, it concerns people gaining control over their lives – often termed “empowerment” (Maslow 1954; Single Displaced Persons Project 1983). It also encompasses support for and facilitation of “citizen participation.” As an end, the term describes various services relevant to the quality of life and includes government programs aimed at improving the quality of life and ameliorating deprivation.

Why has community development often become an integral part of government housing policies and programs? Why is it of concern to housing planners? As an end, the provision of community services relevant to the quality of life, certainly the planning for them, is a natural extension of housing programs. Community development is central to government housing programs because the adequate maintenance of housing depends on the efforts of whole communities, and community efforts often complement, supplement, and increase the impact of government housing programs, reducing the public funds needed to achieve housing objectives (United Nations 1987, 6).

This chapter examines trends in availability, quality, and adequacy of community services and facilities, focusing on the roles of governments. It also examines changes in the control which Canadians exercise over housing quality and choice and their lives in the residential setting. These discussions lead to an assessment of progress in community development and the role of housing policies and programs therein.

Meeting community development objectives and the interaction between housing and community development involves all levels of government and their respective programs and policies. All levels provide services. The provinces provide many of the services and facilities (either directly, by funding, or by regulation), regulate land use, and set the framework within which local governments plan land use and facilities. Municipalities are often responsible for planning and for provision of services and facilities used in everyday life, for example, streets, sewers, water, public transport, education and recreation facilities and services, and social services. At the federal level, several government

departments, as well as CMHC, are instrumental in community development. As well, the federal government influences service provision through its spending programs. With each level of government working independently toward its own community development objectives, as well as housing programs and policies in many cases, description of the Canadian community development process is necessarily complex. In this chapter, only a few program and policy areas are highlighted.

Origins of the Modern Urban Reform Movement

Canadian housing and community development policies following World War II were conditioned by the housing situation, by economic and social events prior to 1945, and by Canada's cultural and institutional traditions. Early post-war housing policies responded foremost to the shortage of housing. In 1951, 1 in 9 Canadian families would today be considered homeless in that they did not maintain their own dwellings (CHS 1985, Table 111). Over 1 in 5 households were crowded into too little space (defined by CHS as having more than one person per room). The perceived need to house and create immediate employment opportunities for returning soldiers as well as to create alternative employment opportunities for those who had been employed in munitions production also guided early post-war housing policies (Rose 1980, 5-7).

Post-war housing policies were developed to a lesser extent in response to slums and the need to improve the adequacy and suitability of housing for the working class.¹ By the time of the Great Depression of the 1930s, urban conditions in large parts of Montreal were scarcely better than those described by Herbert Ames (1897, 18-29) at the end of the 19th century. The 1930s were perhaps harder for the working class of Montreal than in any other city in the nation (Copp 1974, 140). The need for slum clearance was seen as increasingly urgent, especially in Montreal and Toronto.

While slum conditions of the working class were neither as prevalent nor as severe in Toronto as in Montreal, they nevertheless generated a will and resolve to ameliorate them in the post-war period (Lemon 1985, 81-112). The Bruce Report (Ontario 1934) recommended to Toronto's Board of Control that unfit slums be replaced with low-cost housing and that federal and provincial governments subsidize Toronto's, and Canada's, first urban renewal initiative. In the following decade, conservatives and radicals debated how to ameliorate Toronto's slums. Conservatives called for renovation programs. In 1936, Toronto City Council passed Canada's first Standard of Housing By-law. By 1940, 16,400 loans totalling \$5.6 million had been made in Toronto under the federal Home Improvement Loans Guarantee Act – from 20% to 30% of the commitments nationwide (Lemon 1985, 68). Conservatives also argued that slum clearance and the provision of subsidized housing for low-income households would result in a degree of class segregation that would be "even worse than the old feudal system" (Central Council of Ratepayers' Associations, quoted in Lemon 1985, 67).

While they had no way of realizing their ambitions, reformers continued to view the renovation solution as inadequate. For them, the renovation solution was aimed more at creating employment than at improving housing conditions.² Reformers also sought a planned urban environment that would overcome the disorganization of slum life (League for Social Reconstruction 1935). It never occurred to the reformers that slum residents would oppose such action. It was intended that those dislocated be rehoused in superior housing at affordable rents (Carver and Hopwood 1948). The Toronto Reconstruction Council was established in 1943, and in 1946 it published a report arguing for the need for subsidized housing, calculating that need at 50,000 units (Carver and Adamson 1946). In December 1945, the reformers finally won their battle when Toronto City Council approved development of the Regent Park Rental Housing Project.

COMMUNITY DEVELOPMENT AND CANADA'S SUBURBS

A principal accomplishment of post-war housing policy, beyond the production of subsidized housing, the production of rental housing, and even the redevelopment of slums, was the creation of Canada's suburban communities and housing developments (see Chapter 12). Of equal importance to the increase in numbers of new households accommodated in the suburbs was the onset for the next fifteen years of the "baby boom" and the fact that much of the new population was accommodated in family households (*CHS* 1985, Table 111).³

Aided by government policy at all three levels and encouraged by lending institutions, the development industry soon became dominated by corporate developers (Sewell 1976). New suburban developments were primarily settled by people under age 45 years and in their early years of child-rearing (Clark 1966, 82-141). Settlers did not bring strong urban attachments with them. Primary loyalties were to family life and associations formed through work and child-rearing. Suburbanites sought fulfilment through family home ownership and the drive for open space (Thorns 1972, 111-25). There were costs: for example, in the loneliness experienced by women and the burden of mortgage discipline and daily commuting experienced by men (see Clark 1966; Thorns 1972).

What prompted families to move to the suburban setting? What has it meant for community development in Canada in the past and present? What are its implications for the future? Going back to the 19th century, city life for the majority was the experience of deprivation, instability, and the threat of unemployment (Mumford 1938, 143-68). This disorder provided the basis for the development of the ideal neighbourhood.

Presented in 1924 by Clarence Perry, the neighbourhood unit concept stressed its satisfaction of social objectives (Colcord 1939, 83). His principles of neighbourhood design included:

- location of the elementary school at the centre of the unit along with a library branch, a motion picture theatre, and a church;

- concentration of commercial functions into shopping centres located at the periphery;
- family backyards;
- arterial highways as boundaries for the district;
- apartments located at the periphery; and
- homogeneous income groupings within the unit.

In Perry's view, the corporate developer was ideal, as it was more difficult to realize the ideal neighbourhood unit with the piecemeal development that had characterized urban development at the time he formulated his principles. Developers with large land holdings were seen as potential sources of progress in the promotion of social objectives in neighbourhood planning.

The neighbourhood unit concept was one response to the experience of urban turbulence according to Emery and Trist (1973, 57-67). Simplification, reduction of complexity, and withdrawal were understandable responses to turbulence. These patterns are evident in the alternative post-war residential environments that emerged first in the United States and United Kingdom. These environments characterize to one degree or another the suburban developments of Montreal, Toronto, and Vancouver. Don Mills, Ontario, became the ideal type in Canada. As well, application of the same principles spread to smaller communities.

PUBLIC POLICY AND SUBURBIA

The experience of the fifteen years preceding 1945 did not prepare governments for the scale of growth that was to ensue. However, governments did accommodate the new growth. The programs and policies put into effect under the NHA to stimulate housing construction – joint mortgages followed by mortgage insurance, rental construction programs, and assistance to private rental entrepreneurs – accommodated the new scale of development. The provinces had already begun to establish a planning framework under which the new development took place. Provinces and municipalities also combined efforts to construct trunk sewers, water mains, and sewage treatment plants to which new subdivisions could be linked.

The pace and scale of growth strained provinces and municipalities alike, but new policies allowed them to cope. Increasingly, developers were required to install services and build local streets prior to the acceptance of subdivisions for sale of lots. Large corporate developers were able to integrate these new functions into their operations. In provinces where the large corporate developer was not typical, particularly in Quebec and the Atlantic provinces, servicing often did not reach the level that was achieved elsewhere.

Lacking access to revenues from commercial and industrial assessments, small suburban municipalities found it most difficult to finance new services.

One outcome was the impetus to form regional governments (Colton 1980, 52-73; Lemon 1985, 108-11; Rose 1972). The federated Municipality of Metropolitan Toronto became the first such regional government in 1953. Other cities followed in the next two decades including Montreal, Winnipeg, and Vancouver, although they used different models and allocations of functions to the regional level. Ontario and Quebec established regional governments in large, fast-growing cities. Alberta solved the problem by encouraging and allowing existing cities to annex new suburban territories.

Other outcomes included the emergence of fiscal planning and of lot levies in new suburban developments. Fiscal planning requires that new housing forms and developments generate sufficient property tax revenues – still the main source of income for municipalities across Canada. Lot levies, which in 1988 approached \$10,000 per new dwelling in some municipalities in British Columbia and Ontario, have permitted municipalities to develop community facilities that had often not been present initially in earlier suburban developments. While one result of these phenomena is higher quality suburban developments, another is the exclusion of increasing numbers of less-affluent Canadians from newer suburbs.

As well, the federal government, including CMHC, assisted provinces and municipalities with grants and loans to create the water and sewage treatment plants and trunk services which were needed by the new subdivisions. These contributions seldom had a social or community development objective. One exception, the Municipal Incentive Grant program, paid municipalities \$1,000 for each medium density, modest-sized housing unit granted a building permit between 1975 and 1978.⁴ The objective of the program was to encourage municipalities to allow housing for modest-income residents that might not otherwise be built.

CMHC and provincial and municipal governments also undertook public land assembly following 1945, although the federal government ended its participation in 1978 (Spurr 1976, 275).⁵ These land assemblies were undertaken for several reasons (Spurr 1976, 247-57); one of them, facilitating the construction of social housing, is integral to community development objectives. Large numbers of social housing units were built on land assembled by public authorities in Toronto and other Ontario municipalities, along with Winnipeg and Edmonton; and smaller numbers were built in many other municipalities.

Only Saskatoon, and to a lesser extent Edmonton, have concertedly attempted to influence the course of suburban development using public land assemblies. Ontario's Home Ownership Made Easy (HOME) program mixed housing types at the community scale and limited construction to modest housing affordable for low to moderate-income purchasers. In the late 1970s CMHC established new guidelines for disposal of lands that it had helped assemble. These guidelines require that profits resulting from land development schemes be retained in the community in the form of services. Community development objectives figured more prominently in developing publicly-assembled land

than private suburban developments; for example, a concern for demographic and social mix and some social housing has usually been a part of the former (Comprehensive Land Use Management Program).

Public land assembly and development programs can influence the course of urban development. In only a few localities, however, has this ever been done (Mount Pearl, Newfoundland, for instance). With rapid increases in housing prices in the early and mid 1970s, there was much public discussion of the potential contribution of public land assembly. In 1972 the CMHC Task Force on Low-income Housing recommended a new joint land assembly program.⁶ In 1978 a study of the supply and price of residential land was commissioned jointly by CMHC and the provinces (Greenspan 1978). Following the Task Force Report, however, discussion of large public land assembly projects ended abruptly when the federal government decided not to contribute to such efforts. A few provinces, notably Ontario, Manitoba, and Saskatchewan, and their municipalities, have continued activity in land assembly projects, but at a reduced scale of activity.

URBAN RENEWAL AND PUBLIC HOUSING IN THE INNER CITY

Canada's new suburbs were not the only areas where development responded to the turbulence that had characterized cities earlier in the 20th century. The same patterns of adaptation, simplification, segmentation, and withdrawal were applied to the inner city with the development of public housing projects and the undertaking of urban redevelopment. Public housing development and urban renewal placed the responsibility for achieving community development objectives on government and tested government's ability to achieve these objectives.

A milestone in this history was the Regent Park North project in Toronto. When requested by the City of Toronto to amend the NHA to allow the federal government to contribute to ongoing rental housing subsidies, CMHC offered only to underwrite a part of the cost of acquisition and clearance of the Regent Park site. This "urban renewal" activity allowed the City to develop rental housing on the site. Development of the site began in 1946. Design principles incorporated into the project plan included limited penetration of the automobile into the neighbourhood, removal of all commercial establishments, uncluttered green space around the housing units, and uniformity of houses; similar principles also dominated suburban development design. Rents were subsidized on a sliding scale. Thus was born Canada's first public housing project in which rents were publicly subsidized and geared-to-income.

In 1949 the federal government amended the NHA to permit the development of joint housing projects with the provinces and to share the cost of providing rental subsidies on a continuing basis, thus facilitating the development of housing projects on the Regent Park model in large cities across Canada. Montreal's first public housing project, Jeanne Mance, was developed in 1956 with over 900 units. Strathcona was developed in Vancouver, and Lord Selkirk

and Mulgrave Park were developed in Winnipeg and Halifax, respectively. Regent Park South, Moss Park, and Alexandra Park, all developed on the sites of former slums, were added to the Toronto public housing stock by the mid 1960s.

The 1949 NHA amendments and the development of public housing projects in cities across Canada was a limited victory for the urban reform movement. The federal government also announced in 1949 that it was terminating its direct rental housing development program and that federal rent controls were being dismantled. Where possible, it sold units to occupants, many of them of moderate income with an ambition to own their own homes.

There were also constraints on public housing development itself. At first, CMHC insisted its mandate was to provide only housing, and there was little allowance for space in the projects for social and community services. More important, the development of public housing tended to be tied to the clearance of an equivalent number of existing housing units. In response to the issue of whether the federal government would agree to develop a public housing project on previously vacant suburban land, the Minister responsible for housing wrote CMHC's president in 1956:

... we would be justified in using public funds for housing only where private enterprise fails to meet the need.... That is why the Government feels that the clearest case to be made for public housing is where it is related to slum clearance.⁷

Housing and Community Development in the 1960s and 1970s

In the early 1960s governments escalated their attempts to alter the pattern of Canadian urban development. Urban redevelopment projects proliferated, assisted by grants and contributions from the federal government for planning and undertaking projects. Suburban patterns were altered as well. Apartments, both publicly and privately developed, were built in large numbers in the post-war suburbs. The social and demographic nature of suburbs was altered dramatically.

During the 1950s many Canadian cities acquired one or more large public housing projects, usually on slum clearance sites. Urban renewal became a mature federal-provincial program in the 1960s. By the time that a moratorium on new project approvals was declared in 1969, 161 urban renewal studies had been carried out in practically every large city as well as in many smaller communities (CMHC, City Urban Assistance Research Group 1972, 2a: 24). Some eighty-four urban renewal projects had been approved. While a few big projects in large cities attracted most of the public attention, the majority of projects took place in medium-sized and small communities. Table 19.1 summarizes urban renewal disbursements by the federal government, approximately one-half of total expenditures by the three levels of government. Total spending for projects authorized to 1969 was over \$226 million. Projects in cities of over 100,000 population accounted for 77% of total spending; spending in Halifax,

Table 19.1
Disbursements under the Urban renewal program and NIP
by Canadian urban centre (\$000)

City	Urban renewal 1948-1973	NIP 1973-1978
Halifax-Dartmouth, N.S.	12,345	3,711
Saint John, N.B.	19,113	1,498
St. John's, Nfld.	4,304	4,099
Other places in Atlantic provinces	2,002	17,292
Montreal, Que.	30,312	5,559
Other places in Quebec	40,601	38,335
Hamilton, Ont.	22,976	733
London, Ont.	3,587	2,469
Ottawa, Ont.	20,452	2,413
Sudbury, Ont.	9,930	1,229
Thunder Bay, Ont.	4,322	2,291
Toronto, Ont.	18,441	6,562
Windsor, Ont.	2,610	2,186
Other places in Ontario	10,149	41,014
Winnipeg, Man.	7,189	8,792
Regina, Sask.	178	1,464
Calgary, Alta.	6,948	4,223
Other places in Prairie Provinces	175	22,527
Vancouver	7,292	6,325
Victoria	1,697	1,500
Other places in British Columbia	2,531	12,097
Urban areas over 100,000 inhabitants	174,797	59,945
Other places in Canada	51,292	126,447

SOURCE Unpublished data made available by CMHC.

Saint John, Montreal, Ottawa, Toronto, and Hamilton alone accounted for about one-half of this activity.

By the late 1960s urban renewal had become controversial. Sizeable areas near the centres of Halifax, Montreal and Toronto were cleared for redevelopment. While a portion of cleared land, almost all of it in the case of Toronto, was used to develop new public housing, many families had been forced to relocate elsewhere, and the numerous single persons who resided in rooms found other

rooms wherever they could, as they were not eligible to be housed in public housing. Thousands of tenants and home owners were threatened with eviction or expropriation, often at financial loss. Poor people and their advocates came to view urban renewal's objective as the removal of poor people. Home owners often received compensation at less than full market value for their homes under antiquated provincial expropriation laws. While expropriation laws and policies for compensation upon removal were as much at issue, blame was attached to the renewal program itself.

Urban renewal dispersed existing communities, detracting from community development objectives. The benefits of renewal went to the minority of dislocated people who had the opportunity to move back into the public housing and who chose to do so. For those who continued to rent housing in the private sector, urban renewal often led to higher rents in addition to disruption of life. There was a gradual realization of the need to minimize dislocation and rent increases, and to work with tenants and home owners *in situ* to achieve community development objectives. The need to provide community amenities and services to residents also grew with time.

In the 1960s federal programs and policies also changed in regard to social housing programs. NHA amendments in 1964 permitted loans to non-profit housing companies, and a new public housing section – allowing CMHC to make loans to municipal and provincial housing companies – provided an alternative to the cumbersome federal-provincial partnership arrangement. The Government of Ontario responded to the latter change by establishing the Ontario Housing Corporation. Other provinces immediately followed suit, choosing to build public housing projects with loans from the federal government rather than using the partnership approach. Municipal governments were never able to take advantage of the new public housing financing arrangements on a large scale, probably because of the requirement to make a 10% contribution. Almost 23,000 public housing units were built in the subsequent five years, and 162,000 were built before the federal government terminated the generous financial arrangements in 1978 as part of an overall reduction in its housing commitments.⁸

Like the concurrent urban renewal activity, increased public housing activity generated public controversy. The provinces generated large numbers of units rapidly by building on a large scale and on suburban sites. "Project" living came to be unpopular in the community in general as well as among residents themselves. In its report on the relocation of tenants in Toronto's Alexandra Park area, the Social Planning Council reported that many tenants refused to be rehoused in the public housing project even though it was financially advantageous (Social Planning Council of Metropolitan Toronto 1970, S17). Public housing projects were also unpopular among neighbouring suburban home owners.

Dissatisfaction with the urban renewal and public housing programs was felt by federal politicians. In the case of urban renewal, members of Parliament and

ministers were lobbied by opponents to end funding for approved plans. The federal government had launched its "war on poverty" in 1967, but its urban renewal program was harming the interests of the poor (*Trefann Court News* 23 November, 1967). Ottawa would have to review and reformulate its housing and urban development programs. In the cities themselves, urban renewal was generating opposition to entrenched municipal councils in Montreal, Toronto, Winnipeg, Edmonton, and Vancouver on a scale not seen since the 1930s.

Five Years of Policy Review

The years 1968 to 1973 were marked by a more or less continuous review of Canada's housing and urban development policies, and during this period the Ministry of State for Urban Affairs was established. In April 1968 Paul Hellyer, Minister of Transport and Deputy Prime Minister, was also given responsibility for federal housing policy and CMHC. In September, he launched his Task Force on Housing and Urban Development and gave both subjects a higher profile than they had ever had. Hellyer and his task force visited all of the contested urban renewal sites. Briefs supportive of new program initiatives in urban development were received from numerous quarters. Hellyer submitted his report in January 1969, but he resigned from Cabinet when it became evident that quick action, maybe any action at all, would not be forthcoming on most of his proposals.⁹

Hellyer's successor, Robert Andras, began immediately to attempt to meet expectations that the visibility of Hellyer and his report had created. Economist N.H. Lithwick of Carleton University was retained to undertake a review of federal urban policy. In early 1971 CMHC established external task force reports on low-income housing and on urban assistance. Reporting and implementing any recommendations for new programs and legislation would take time. To maintain the momentum for reform, a \$200 million innovative housing program was launched under which as much experimentation as was legislatively possible was undertaken. Assisted home ownership and rental projects, and cooperative housing projects, later to be sanctioned legislatively, were initiated. Loans for housing for Métis, non-status Indians, and status Indians residing in western cities were also initiated. While the federal government was still not formally able to make grants for housing rehabilitation to individuals, ways were found to support these efforts as well.¹⁰

NEW PROGRAMS AND POLICIES

The 1973 amendments enabled CMHC to make loans to cooperative housing societies. Loans to them and to non-profit companies could be for as much as 100% of appraised value, thus eliminating the need for investor equity and removing obstacles to use by municipalities and small groups. The new programs recognized that the residents of low-income housing projects, especially large ones, bore a stigma that was not healthy for the residents or the community

as a whole, and they provided that future low-income housing projects should be built as mixed-income projects; 25% was considered an ideal proportion of low-income tenants.

Finally, the amendments enabled grants to home owners and landlords for housing rehabilitation (RRAP), as well as a new program, NIP, to replace the urban renewal program. Provisions for the new program emphasized housing rehabilitation and conservation and assistance for provision of basic services and community facilities. From the perspective of the federal government, NIP, by limiting assistance for slum clearance, also had the advantage of reducing costs (Crenna 1971). Because of continued uncertainty regarding the best direction for urban development policy, NIP and RRAP were to expire after five years.¹¹

The overall thrust attempted to build on what were growing to be recognized as good community development principles. Residents could best be supported in their *in situ* locations. Measures to facilitate rehabilitation were required for dwellings needing major repairs. Communities, many of them under-serviced or with services operating out of facilities in need of improvement, needed funds to upgrade neighbourhood facilities, compensating to some extent for the deprivation that might attend being of low income (Joint Task Force on Neighbourhood Support Services 1983, ES1-12). Many neighbourhoods in need of improvement were near old "smoke-stack" factories, and the environment needed to be cleaned up as well.

Housing developed and managed by cooperative societies and non-profit companies embodied these principles as well. Residents would be potentially involved in design, and they would either manage, or be more involved in management than in the case of housing provided by public housing authorities or provincial housing companies.

OTHER SUPPORTS AND SERVICES

Other changes were required, and indeed they were occurring, in the programs and policies of other federal departments and agencies and of provincial and municipal governments. In 1971 the federal government initiated some short-term job creation programs as a response to rising unemployment, notably the Local Initiatives Program (LIP) and Opportunities for Youth (OFY). Under these, several local initiatives were programs of neighbourhood rehabilitation. While no complete inventory was ever published, numerous projects initiated by neighbourhood groups in renewal areas, or in areas to be approved under NIP, were approved. Other services, including assistance for citizen participation in planning for their neighbourhoods, storefront community services, as well as more traditional services were supported by the LIP and OFY programs. The Company of Young Canadians (CYC), a federal Crown agency founded in 1968, also assigned workers to urban renewal and neighbourhood improvement project sites.

Aside from contributing to the costs of neighbourhood improvement, the

provinces assisted by altering planning legislation and policies to promote and require citizen participation in municipal planning decisions, including planning in urban renewal and neighbourhood improvement areas, and in amending landlord-tenant law to provide tenants greater security of tenure, moving from a system based on one of land tenure law to one of contracts.

Amendments to landlord-tenant law were also important from a community development perspective. Ontario led the way for the common law provinces when it amended Part IV of the Landlord-Tenant Act in 1970 as proposed by its Law Reform Commission. The remaining eight common-law provinces followed suit in the next five years, and two, British Columbia and Manitoba, largely removed landlord-tenant matters from the cumbersome court system by creating an office of provincial rentalsman. Although it has a legal tradition different from the common-law provinces, Quebec also modernized its landlord-tenant legislation.

Tenants in Quebec and Newfoundland continued to be protected by rent review systems that had remained intact since the Second World War. The eight remaining provinces adopted a rent review system in 1975 as part of the federal government's anti-inflation program. All but Alberta and British Columbia continued to have rent review at the end of 1987.

Similarly progressive changes were made in provincial planning legislation to require that citizens have ample opportunity to influence the substance of community plans. The holding of at least one public meeting is usually the requirement of provincial legislation or regulations. Most municipalities have gone further, however, especially in the case of urban renewal or neighbourhood improvement areas. "Site" planning offices away from city hall have been common in larger cities. Ongoing committees of local residents have also been common.

The new neighbourhood improvement thrust emanating from the extensive NHA amendments, taken together with the initiatives of other federal departments and agencies and provincial and municipal governments, set Canada on a course toward realizing the community development objectives that had been held since the Great Depression. Their single most distinguishing feature was an attempt to have future housing and urban development simulate what occurred historically. Neighbourhoods were to contain a mixture of income groups; projects with a narrow income range of occupants were to be small.

Toward a National Urban Policy

The ultimate objective of many policy makers was a national urban policy that would enable the federal government to intervene sensitively and in cooperation with private parties and provincial governments across the nation. A national urban policy was initiated in 1965 by the Privy Council Office and its Special Planning Secretariat, the latter being responsible for Canada's "war on poverty." One of the Secretariat's activities had been the co-ordination of a federal inter-departmental committee representing eight departments;

the objective of this committee was to co-ordinate and expand federal community development resources through what was hoped would become a community development agency.¹²

The Ministry of State for Urban Affairs (MSUA) was established in July 1971. Its terms of reference included urban policy research and the formulation of federal urban policy (Sunga and Due 1975). While MSUA was granted wide powers to formulate and evaluate federal urban policies and programs, to undertake research and to co-ordinate policies, its overall impact up to the time it was disbanded in 1978 must be judged as only minor. As one observer noted,

The effectiveness of MSUA's research evaluative and policy development functions and the Ministry's proposals for the co-ordination of federal inter-agency and intergovernmental initiatives are clearly constrained by the extent of its participation in the decision-making processes of government (Sunga and Due 1975, 9).

The Ministry never possessed any decision-making powers, and their absence clearly limited its effectiveness. While the Ministry initiated tripartite coordinating committees in several large cities, it never attempted to replicate the community development efforts of the PCO's Special Planning Secretariat or of the CYC.¹³

Appraisal of New Federal Housing Policies and Programs

The new housing and urban development policies and programs were formally initiated in 1973. They were the last major new commitment in the forty year period under review. CMHC published an evaluation of the cooperative and non-profit housing programs in November 1983 (CMHC 1983a). A comprehensive evaluation of all social housing programs was commenced but never published (CMHC 1983b). These program evaluations are limited to the non-profit and cooperative, public housing and rent supplement programs.

The evaluation by CMHC of its new non-profit and cooperative housing programs concluded that the mixing of income groups had occurred. Surveys of tenants indicated that they were satisfied, and tenants in the non-profit and cooperative projects indicated a greater degree of satisfaction than tenants housed in either public housing or rent supplement units (CMHC 1983a, 130). Project meetings occurred in over two-thirds of non-profit and cooperative projects but only in one-third of public housing projects (CMHC 1983a, 182). Tenant suggestions were implemented in about 70% of the non-profit and cooperative projects, but in fewer than 50% of the public housing projects.¹⁴ Preliminary and fragmentary data from a variety of sources indicate that there is room for significant improvement in the management of public and private rental projects, especially from the point of view of supplemented tenants in the latter (Edmonton Social Planning Council 1973, 4-10; Ontario Legislative Assembly 1981, iii-xix).

While experience with income mix in the non-profit and cooperative

housing programs was generally positive, continued support for the income mix objective has been tempered by its cost. As low-income tenants often comprise only about one-fourth of the total, and the mortgage interest was subsidized down to 2% for all units, the subsidy appeared to benefit middle-income Canadians (Canada 1985). Builders launched a campaign to have the federal government replace its housing supply programs with a shelter allowance targeted to those households most in need (see, for instance, Clayton Research Associates Limited 1984b). Following consultation with all provinces and territories, CMHC negotiated new agreements with provinces and territories, whereby they contributed a minimum of 25% of costs for programs they wished to deliver. CMHC confirmed that federal subsidies were to be targeted to households in core need.¹⁵

NEIGHBOURHOOD IMPROVEMENT AND RESIDENTIAL REHABILITATION

While NIP was terminated in 1978, it did achieve some of its objectives.¹⁶ Like MSUA, the program fell victim to a debate concerning the nature of the federal mandate. From 1973 to 1978 some 493 neighbourhoods were designated, and \$500 million was spent by the three levels of government.

The program was used in large cities throughout Canada, but one of the main differences from the urban renewal program was its widespread use in smaller communities. As is shown in Table 19.1, spending outside the nineteen cities with a population of 100,000 or over in 1981 was more than two-thirds of the program total, although only one-third of Canadians live outside large cities. The program was central to the revitalization of older neighbourhoods in smaller cities and towns.

No comprehensive evaluation of NIP was ever undertaken, either by the government or third parties, although evaluations of some individual projects were published in early 1986:

Evaluation generally found that NIP resulted in positive physical changes in designated neighbourhoods through the addition of amenities; rehabilitation or reconstruction of housing; infrastructure improvements; down-zoning; and other related measures. Assessments were mixed, however, on the extent of achievements in areas such as resident participation; by-law enforcement; community planning; integration and targeting of other government and non-government resources; long-term municipal and resident commitment to older areas; and the capacity of municipalities and provinces to bear the costs of neighbourhood improvement without continued federal assistance (Lyon 1986, 3).

NIP overcame most of the criticisms of the urban renewal program but did not achieve its ambitious community development objectives. Total average spending of \$1 million per designated neighbourhood simply may have not been sufficient to accomplish these objectives.

RRAP remains a program of CMHC. Almost 314,000 units, 71% owner-occupied, received assistance from 1973 to 1985 (*CHS* 1985, Table 74).¹⁷ About 39%

of the owner occupant and 89% of the renter units receiving assistance were located in urban areas.¹⁸

While RRAP has, like NIP, been successful in overcoming many of the failures of previous programs and policies, it is not possible to evaluate it conclusively. The number of units assisted seems impressive, but less so when distributed across 479 approved neighbourhood improvement areas. A 1979 evaluation published by CMHC expressed concern with respect to the partial nature of rehabilitation caused by the limited dollar amount of RRAP loans and grants (Social Policy Research Associates 1979).

The principal criticism of urban renewal was dislocation, especially of low-income tenants. While the evidence on tenant dislocation from buildings receiving RRAP assistance is incomplete, it appears that the program has overcome this shortcoming in most but not all of the cities in which it has been used. A 1979 survey of landlords found that 80% of tenants remained in their units following rehabilitation but that from 6% to 24% of tenants were permanently dislocated as a result of RRAP (Social Policy Research Associates 1979, 102). About one-half of tenants had to pay a higher rent after rehabilitation, but only 5% to 15% received "socially undesirable" rent hikes (Social Policy Research Associates 1979, 103).¹⁹

Average rent increases in Quebec were 40%, reportedly the greatest in the 1979 survey. A 1984 survey of central Montreal dwellings rehabilitated at a cost of \$5,000 or more is disquieting. That survey discovered that 90% of tenants had moved after two years (LARSI-UQAM 1985). Over one-third of the previous tenants were paying 30% or more of their income in rent. The rehabilitated dwellings, 62% of them subsequently converted to condominium or other co-ownership schemes, attracted tenants of higher income. Over three-fourths of the new tenants were single. The proportion with university degrees increased from 31% to 45% (LARSI-UQAM 1985, 130).

Most of Canada's large cities, however, seem to be characterized by massive dislocation of tenants and home owners alike in their central areas. In Toronto, some 9,000 rental housing units were lost as a result of conversions in the early 1980s (Silzer and Ward 1986). In the 1971-6 period, almost 5,000 tenant households in owner-occupied buildings were dislocated (City of Toronto 1980). House prices in central areas increased considerably faster than the urban central area average (Social Planning Council of Metropolitan Toronto 1987). Private upgrading of central city housing stock, not public action, emerged as the primary threat to low-priced housing stock and tenants in many Canadian cities in the 1980s.

RURAL AND NATIVE HOUSING: NEW DEVELOPMENT AND REHABILITATION

Almost 1 in 4 Canadians lives in a rural area. Some of these areas are typified by an idyllic rural environment. Many of these rural communities, however, as well

as many of Canada's small towns, are located in areas by-passed by contemporary economic development, and their housing conditions remain the worst in Canada. Historically, the housing policies and programs of federal and provincial governments took little notice of these areas. Increased attention was directed to them in the 1960s, coinciding with concern about the continued existence of poverty and extreme regional disparities in Canada.

Of special concern are the housing and living conditions of Canada's Aboriginal peoples, numbering about half a million people in 1981: 368,000 Indians; 25,000 Inuit and 98,000 Métis. "Status" Indians, most of whom live on reserves, accounted for 293,000, while the remaining 75,000 are "non-status" Indians (Statistics Canada 1984a, 20). The 1941 Census recorded only 118,000 Indians. The Aboriginal population grew rapidly over the forty-year period under review, and fertility rates remained about double the Canadian average. Of concern is a shortage of housing on reserves and the fact that the shortage could become even more acute, further weakening Aboriginal kinship networks and motivating youth to migrate to urban areas in even-larger numbers (Siggner 1979). An interest by the two senior levels of government in "rural and Native" housing generally coincided with heightened interest in urban housing and renewal.

A larger view of rural community development accompanied the new interest (see Baker 1971), and housing and residential environment were integral to this. The quality of housing in these communities suffered in part because commercial financial institutions were unwilling to commit mortgage and home improvement loans in communities whose economic future was in doubt (Herschak 1973, 11). The need for increases and improvement in the housing stock became urgent on Indian reserves. The continued viability of Indian communities, especially with respect to kinship ties, was at stake.

The federal Department of Indian Affairs and Northern Development increased funding for new housing and housing repair, although the adequacy of the response on Indian reserves remained in doubt at the end of 1987, as did the form of the response viewed from the perspective of community development. There are numerous complaints that houses constructed on Indian reserves, most of which are relatively far north, simply replicate southern technology and layout unsuited to northern climates and Indian culture. It is also reported too few Indians have been granted training opportunities in the construction trade.²⁰ One result is housing that is expensive compared to what might be put in place with greater involvement by Indians themselves.

Off-reserve housing in rural areas and housing rehabilitation have been the subject of a CMHC initiative known as "Rural and Native Housing," developed subsequent to the 1973 NHA amendments. The main components include home ownership and the residential rehabilitation program. The Urban Native Program offers housing assistance to Aboriginal peoples living in urban areas.

While some of the same problems in relation to technology, building form,

and the need for making training in construction trades an integral part of public programs may be documented, innovative arrangements with local groups have been negotiated in a variety of locations. One instance is Mocrebec, a non-profit company established to provide off-reserve housing in Moose Bay, Ontario.²¹ In 1986 CMHC introduced a demonstration program of a self-help approach to constructing new units.

As indicated above, a large portion of the RRAP has been implemented in rural areas – about 48% of the total number of dwelling units receiving rehabilitation assistance to the end of 1985 (CHS 1985, Tables 74 and 75). About 90% of units assisted were owner occupied. A variety of arrangements have been made with the provinces and community and non-profit companies to implement the program. The program is reportedly one of the more innovative in involving local groups.

Future Policy Directions and Further Research Needed

Provincial and municipal governments have been full partners in providing housing for Canadians, with the provinces providing human services and a planning and legal framework, while municipal governments have been responsible for planning and often for delivering services.

The federal government became involved in “social” housing for low-income Canadians and in the renewal of inner-city urban areas only gradually and as a result of initiatives by municipalities, civic boosters, and public housing advocates. These programs achieved a significant scale in the late 1960s. The reaction against urban renewal occurred because the program failed to address human development problems adequately or the need for participation. It caused massive dislocation, usually not accompanied by sufficient relocation assistance.

New programs and policies, many formally adopted in 1973, overcame objections to previous policies. Accomplishment of longer-term goals and objectives, however, remains in doubt. That the neighbourhood improvement program was cancelled in 1978 and that it never reached a large scale limited the program’s ability to realize all the objectives established for it. Provincial social program spending reductions of the same kind that caused the federal government to rescind NIP have added to these shortcomings. In most instances, however, the program did not result in the same errors that led to resistance to the urban renewal program. Combined with RRAP, the housing stock does seem to have improved without significant dislocation of either owners or tenants. Provincial and municipal governments have maintained the neighbourhood improvement program initiative to varying degrees across the country, especially in concert with continued use of RRAP funds, but on a smaller scale than in the 1973-8 period.

The exception to this generally positive conclusion is related to the tendency toward “gentrification” of some inner city areas in Canada and the loss of low-income housing stock associated with this phenomenon. Nevertheless, the presence of gentrification, the loss of low-cost housing, and the fact that all three

levels of government have been unable to stem it is cause for concern. It indicates an inability to respond to current housing issues. It also confirms the necessity for constant monitoring of housing needs and trends and for altering programs and policies in response to current situations.

One manifestation of the loss of low-income housing stock across the country is an increase in homelessness in Canada in the 1980s.²² When focus is shifted to such issues, the achievement of Canada's housing and community development objectives has remained elusive. A number of questions remain with respect to existing housing and community development policies and programs.

Adequate improvement in public housing management continues to elude policy makers. There is currently a focus in some provinces on increased tenant participation in public housing management. An issue identified in some studies concerns tenants whose rents are supplemented in housing projects developed by private builders. Tenant integration requires more than simply leasing an adequate dwelling. Although several provinces were devoting more attention to housing management issues by the end of the 1980s, more research needs to be conducted into programs required.

The form and pattern of development of Canadian cities have changed considerably since NIP was initiated. Market pressures that reduce the amount of housing available for low-income inner-city residents are as great a concern today as the need for housing rehabilitation in cities and neighbourhoods not experiencing such market pressures. The adequacy of existing rehabilitation programs and ways to improve them need to be explored. Ways and means of maintaining the existing stock in inner-city neighbourhoods, especially in Montreal, Toronto, and Vancouver, urgently need exploration.

Notes

- 1 Adequacy refers to the need for repairs and for bath and sanitation facilities. Suitability refers to the need to reduce overcrowding.
- 2 E.J. Urwick, Ontario Housing and Planning Association, 1 and 5 June 1939, cited in Lemon (1985, 68).
- 3 In 1951, 89% of Canada's households were families. Between 1951 and 1961, 81% of all new households were family households. By contrast, the proportion of new family households between 1971 and 1981 decreased to 58%.
- 4 Approximately 160,000 units received this assistance, mostly small apartments and row housing and mostly for rental tenure (Correspondence to author from CMHC).
- 5 In excess of 18,000 hectares in approximately 160 projects were assembled over the life of the program.
- 6 It was recommended that the federal government and interested provincial and municipal governments make five-year block funding commitments for public land assembly for up to 100% of the cost of assemblies, the federal government to be repaid when the lands were developed. See Dennis and Fish (1972, 346).

- 7 The Honourable R. H. Winters to Stewart Bates, 8 June 1956. The project was Lawrence Heights in North York, Ontario, a suburb of Toronto.
- 8 Total of units built under NHA Sections 40 and 42 from 1964 through 1979.
- 9 Submission to Cabinet, 24 February 1970, Appendix C.
- 10 CMHC, George Devine, "Data Profiles for Seven Rehabilitation Projects" (undated).
- 11 The first use of "sunset" legislation in the NHA.
- 12 The eight departments included Citizenship and Immigration-Indian Affairs Branch, National Health and Welfare, Forestry-ARDA, Northern Affairs and Natural Resources, Labour, Industry-Area Development Agency, Atlantic Development Board and the Company of Young Canadians; CMHC was not a part of the original committee.
- 13 The latter was dissolved by the federal government in 1975.
- 14 Questions related to participation in decision-making and formal social interaction were omitted from the survey of rent-supplemented tenants.
- 15 Interview with Sean Goetz-Gadon, Executive Assistant to the Ontario Minister of Housing. Core housing need varies by urban area and approximates Statistics Canada's low-income cut-off lines.
- 16 A Community Services Contribution Program began in 1978 as a partial replacement for programs which were terminated: neighbourhood improvement, land assembly, and municipal infrastructure. Contributions under this transition program terminated in 1981.
- 17 RRAP/Rental was terminated as a program in 1989.
- 18 An additional 18,042 units in existing projects acquired by non-profit companies and cooperative housing societies received RRAP grants.
- 19 Socially undesirable is defined by the authors as in excess of 20%.
- 20 Interviews with chief, Moose Band, and executive director of Frontiers Foundation, August 1987.
- 21 Interview with Mocrebec president, Randy Kapashesit, August 1987.
- 22 For instance, the number of emergency hostel spaces in Metropolitan Toronto increased from 1,375 in 1982 to 2,328 in 1987. See Memorandum, Commissioner of Community Services to Community Services and Housing Committee, Council of Metropolitan Toronto, 25 September 1987; also see Canada Department of External Affairs, *Canada Position Paper, IYSH, CMHC 4135-2187*, 5, submitted to Canadian delegate to the 10th Commemorative Conference, United Nations Centre for Human Settlements, Nairobi, Kenya, February 1987.